

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(\$'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Period Restated	
			Total (01)	Vested in Trust* (02)	Total (03)	Vested in Trust* (04)	Total (05)	Vested in Trust* (06)
		Cash and Cash Equivalents	26,217		11,483			
		Investment Income due and accrued	675		726			
		Assets held for sale			0			
		Investments:						
40.12		Short Term Investments			0			
40.22		Bonds and Debentures	122,579		126,812			
40.32		Mortgage Loans			0			
40.42		Preferred Shares			0			
40.52		Common Shares	16,517		26,249			
40.70		Investment Properties	7,987		7,987			
40.80		Other Loans and Invested Assets	5,661		5,459			
40.07		Total Investments (lines 04 to 10)	152,744		166,507		0	
		Receivables:						
50.20		Unaffiliated Agents and Brokers	8,007		7,896			
		Policyholders			0			
		Instalment Premiums	40,746		35,953			
		Other Insurers	1,870		2,417			
		Facility Association and the "P.R.R."	8,011		7,879			
50.40		Subsidiaries, Associates & Joint Ventures	0		0			
50.20		Other Receivables	473		474			
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	44,272		41,951			
60.30		Unpaid Claims and Adjustment Expenses	63,903		72,769			
		Other Recoverables on Unpaid Claims			0			
		Investments Accounted for Using the Equity Method:						
50.32		Interests in Subsidiaries, Associates & Joint Ventures	0		0			
		Pooled Funds			0			
40.70		Property and Equipment	4,477		4,907			
		Deferred Policy Acquisition Expenses	29,337		27,823			
		Current Tax Assets	124		54			
		Deferred Tax Assets	7,277		4,643			
		Goodwill			0			
		Intangible Assets	1,476		518			
		Defined Benefit Pension Plan			0			
		Other Assets	415		510			
		TOTAL ASSETS	390,024		386,510		0	

* Foreign insurers: Excludes deposits of reinsurers held in special trust accounts.

CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCI
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	Opening Prior Period Restated
		(55)	(01)	(03)	(05)
		LIABILITIES			
		Overdrafts	01	0	
		Borrowed Money and Accrued Interest	02	0	
		Payables:			
50.20		Agents and Brokers	03	5,114	4,813
		Policyholders	04		0
		Other Insurers	05	3,401	2,209
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates	06	0	0
		Expenses due and accrued	07	2,700	2,871
		Other Taxes due and accrued	09	11,143	9,231
		Policyholder Dividends and Rating Adjustments	10		0
40.70		Encumbrances on Real Estate	11	0	0
60.10		Unearned Premiums	12	114,398	108,310
60.30		Unpaid Claims and Adjustment Expenses	13	168,131	169,248
80.10		Unearned Commissions	14	12,432	11,648
		Ceded Deferred Premium Taxes	20		0
		Ceded Deferred Insurance Operations Expenses	34		0
		Premium Deficiency	15	0	0
		Liabilities held for sale	17		0
		Current Tax Liabilities	18		0
		Deferred Tax Liabilities	21	2,125	2,119
		Self-Insured Retention (SIR) portion of unpaid claims	22		0
		Defined Benefit Pension Plan	23		0
		Employment Benefits (not including amounts on line 23 above)	24		0
		Subordinated Debt	25		0
		Preferred Shares - Debt	26		0
		Provisions and Other Liabilities	28	12,070	11,057
		Total Liabilities	29	331,514	321,506
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common	41	2,000	2,000
		Preferred	33		0
		Contributed Surplus	42	9,362	9,362
		(Specify)	43		0
20.54		Retained Earnings	44	48,392	52,511
20.45		Reserves	45	0	0
20.42		Accumulated Other Comprehensive Income (Loss)	47	(1,244)	1,131
		Total Policyholders/Shareholders' Equity	59	58,510	65,004
		Non-controlling Interests	48	0	0
		Total Equity	49	58,510	65,004
		TOTAL LIABILITIES AND EQUITY	89	390,024	386,510
		FOREIGN INSURERS ONLY:			
		HEAD OFFICE ACCOUNT, RESERVES & AOCI			
20.45		Head Office Account	51		
		(Specify)	53		
20.45		Reserves	55		
20.42		Accumulated Other Comprehensive Income (Loss)	56		
		Total Head Office Account, Reserves & AOCI	69		
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOCI	79		

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF INCOME
(\$'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		UNDERWRITING OPERATIONS		
		Premiums Written		
		Direct	225,211	214,686
70.21		Reinsurance Assumed	0	0
70.21		Reinsurance Ceded	93,239	89,009
60.20		Net Premiums Written	131,972	125,677
		Decrease (increase) in Net Unearned Premiums	(3,767)	3,382
60.20		Net Premiums Earned	128,205	129,059
		Service Charges	2,836	2,808
		Other		0
		Total Underwriting Revenue	131,041	131,867
		Gross Claims and Adjustment Expenses	146,843	138,036
		Reinsurers' share of claims and adjustment expenses	57,722	47,952
60.20		Net Claims and Adjustment Expenses	89,121	90,084
		Acquisition Expenses		
80.10		Gross Commissions	41,321	42,111
80.10		Ceded Commissions	21,719	22,463
		Taxes	8,982	8,877
80.20		Other	(216)	(110)
80.20		General Expenses	23,489	23,411
		Total Claims and Expenses	140,978	141,910
		Premium Deficiency Adjustments		0
40.07		Underwriting Income (Loss)	(9,937)	(10,043)
		INVESTMENT OPERATIONS		
		Income	4,232	5,408
		Gains (Losses) from FVO or FVTPL	0	0
		Realized Gains (Losses)	182	(931)
		Expenses	445	442
		Net Investment Income	3,969	4,035
		OTHER REVENUE AND EXPENSES		
		Income (Loss) from Ancillary Operations (net of Expenses of \$'000)		0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	(418)	82
		Overlay approach adjustment for financial instruments (Reclass from P&L to OCI)		
		Share of Net Income (Loss) of Pooled Funds using Equity Method		0
		Gain (Losses) from fluctuations in Foreign Exchange Rates		0
		Other Revenues	641	498
		Finance costs		0
		Other Expenses		0
		Net Income (Loss) before Income Taxes	(5,745)	(5,428)
		INCOME TAXES		
		Current	149	427
		Deferred	(1,722)	(2,011)
		Total Income Taxes	(1,573)	(1,584)
		NET INCOME (LOSS) FOR THE YEAR	(4,172)	(3,844)
		ATTRIBUTABLE TO:		
		Non-controlling Interests		0
		Equity Holders	(4,172)	(3,844)

(04)

CONSOLIDATED FINANCIAL STATEMENTS
COMPREHENSIVE INCOME (LOSS)
and
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	
			(01)	(03)	
20.30		Comprehensive Income (Loss)			
		Net Income	01	(4,172)	(3,844)
		Other Comprehensive Income (Loss):			
		Items that may be reclassified subsequently to Net Income:			
		FVOCI:			
		Change in Unrealized Gains and Losses:			
		- Loans	02		0
		- Bonds and Debentures	03	309	(2,171)
		- Equities (IAS 39)	04	(2,572)	696
		Reclassification of (Gains) Losses to Net Income	05	(113)	740
		Overlay approach			
		Change in Unrealized Gains and Losses related to overlay approach for financial instruments			
		Unrealized Gains and Losses	15		
		Reclassification of (Gains) Losses from Net Income	16		
		Derivatives Designated as Cash Flow Hedges			
		Change in Unrealized Gains and Losses	06		0
		Reclassification of (Gains) Losses to Net Income	07		0
		Foreign Currency Translation			
		Change in Unrealized Gains and Losses	08		0
		Impact of Hedging	09		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	14		0
		Other	18		0
		Subtotal of items that may be reclassified subsequently to Net Income	19	(2,376)	(735)
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		Change in Unrealized Gains and Losses:			
		- Equities (IFRS 9)	25		
		Revaluation Surplus	31		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	11		0
		Remeasurements of Defined Benefit Plans	34		0
	Other	12		0	
	Subtotal of items that will not be reclassified subsequently to Net Income	29	0	0	
	Total Other Comprehensive Income (Loss)	21	(2,376)	(735)	
	Total Comprehensive Income (Loss)	39	(6,548)	(4,579)	
	Attributable to:				
	Non-controlling Interests	60		0	
	Equity Holders	62	(6,548)	(4,579)	
20.20		Accumulated Other Comprehensive Income (Loss)			
		Accumulated Gains (Losses) on:			
		Items that may be reclassified subsequently to Net Income:			
		FVOCI:			
		- Loans	42		0
		- Bonds and Debentures	43	9	(680)
		- Equities (IAS 39)	44	(1,361)	1,703
		Overlay approach	55		
		Derivatives Designated as Cash Flow Hedges	45		0
		Foreign Currency (net of hedging activities)	46		0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures (may be reclassified)	52		0
		Other	68		0
		Subtotal of items that may be reclassified subsequently to Net Income	69	(1,352)	1,023
		Items that will not be reclassified subsequently to Net Income:			
		FVOCI:			
		- Equities (IFRS 9)	65		
		Revaluation Surplus	71	108	108
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	51		0
		Remeasurements of Defined Benefit Plans	74		0
		Other	49		0
	Subtotal of items that will not be reclassified subsequently to Net Income	79	108	108	
	Balance at end of Year	59	(1,244)	1,131	

CONSOLIDATED

MINIMUM CAPITAL TEST/BRANCH ADEQUACY OF ASSETS TEST: CAPITAL (MARGIN) REQUIRED AND MCT (BAAT) RATIO

(\$'000)

	Current Period	
(55)		(01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	55,650
(Specify)	08	
Total Capital Available	09	55,650
Assets Available:		
Net Assets Available (from page 30.92 - net assets available)	11	
(Specify)	18	
Total Net Assets Available	19	
Capital (Margin) Required at Target:		
Insurance Risk:		
Premium liabilities	20	9,959
Unpaid claims	22	11,735
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	34
Subtotal: Insurance risk margin	29	21,728
Market Risk:		
Interest rate risk	30	541
Foreign exchange risk	32	0
Equity risk	34	4,955
Real estate risk	36	1,694
Other market risk exposures	38	178
Subtotal: Market risk margin	39	7,368
Credit Risk:		
Counterparty default risk for balance sheet assets	40	5,372
Counterparty default risk for off-balance sheet exposures	42	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44	0
Subtotal: Credit risk margin	49	5,372
Operational risk margin	50	10,340
Less: Diversification credit	52	4,281
Total Capital (Margin) Required at Target	59	40,527
Minimum Capital (Margin) Required (line 59 / 1.5)	60	27,018
(Specify)	68	
Total Minimum Capital (Margin) Required	69	27,018
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	28,632
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	205.97%

Note: See Section VI of the P&C instructions and the MCT Guideline.